

Message Text

LIMITED OFFICIAL USE

PAGE 01 BANGKO 23104 171119Z

17

ACTION EA-09

INFO OCT-01 EUR-12 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07

FEA-01 PA-01 PRS-01 IO-13 /136 W
----- 020104

R 170958Z AUG 76

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 2165

INFO AMEMBASSY PARIS

USDOC WASHDC

AMEMBASSY LONDON

AMEMBASSY BONN

AMEMBASSY OTTAWA

AMEMBASSY JIDDA

AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE BANGKOK 23104

EO 11652: N/A

TAGS: EGEN ENRG ECRE TH

SUBJECT: MINISTER OF INDUSTRY'S TRIP TO EUROPE

REF: A) BANGKOK 19405, B) USDOC 12319, C) PARIS 21489
(ALL NOTAL)

SUMMARY: INDUSTRY MINISTER CHATCHAI CHUNHAWAN RETURNED FROM
A 20-DAY TOUR OF EUROPE ON AUGUST 2. THAI SOURCES CLAIM FRANCE
HAS SHOWN INTEREST IN NATURAL GAS EXPLOITATION IN THAILAND,
GERMANY IN STEEL, ROYAL DUTCH SHELL IN A LUBRICATING OIL PLANT.
NO FIRM COMMITMENTS WERE MADE ANYWHERE. END SUMMARY.

1. MAJOR GENERAL CHATCHAI CHUNHAWAN, RTG MINISTER OF INDUSTRY,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BANGKO 23104 171119Z

RETURNED TO BANGKOK ON AUGUST 2 FROM A 20-DAY EUROPEAN TRIP.

THE PURPOSE OF THE TRIP, AS CHATCHAI TOLD THE PRESS UPON HIS RETURN, WAS THREEFOLD: (1) TO SOUND OUT EUROPEAN INVESTORS AND BANKS CONCERNING THEIR OPINION OF THE INVESTMENT CLIMATE IN THAILAND AND TO BRIEF THEM ON THE SITUATION IN THAILAND AND SOUTHEAST ASIA; (2) TO DISCUSS THE DISCOVERY OF NATURAL GAS IN THE GULF OF THAILAND WITH EUROPEAN BUSINESS CIRCLES WITH A VIEW TOWARD ENCOURAGING THEIR INVESTMENT IN ITS EXPLOITATION; (3) TO MAKE A MARKETING SURVEY FOR POTENTIAL THAI EXPORTS TO EUROPE.

2. ON AUGUST 6 EMBOFF DISCUSSED THE TRIP WITH KON THAPPARANGSI, CHATCHAI'S NEPHEW AND PERSONAL SECRETARY. KON ACCOMPANIED HIS UNCLE ON HIS TRAVELS. HE SAID THE FRENCH SHOWED GREAT INTEREST IN NATURAL GAS DEPOSITS IN THE GULF OF THAILAND. THERE IS NO CONCLUSIVE EVIDENCE THAT GAS EXISTS THERE IN COMMERCIALLY EXPLOITABLE QUANTITIES. ALSO, THE RTG AND UNION OIL (THE OPERATOR IN TWO OF THE CONCESSION AREAS WHERE GAS HAS BEEN FOUND) ARE REPORTEDLY STILL FAR APART IN REACHING AGREEMENT ON THE SELLING PRICE FOR THE GAS SHOULD IT BE DEEMED COMMERCIAL. NEVERTHELESS, KON SAID THE GOF, THROUGH THE NATIONAL OIL INSTITUTE, IS CONSIDERING PAYING FOR STUDIES BY FRENCH FIRMS TO DETERMINE THE FEASIBILITY OF LAYING A PIPELINE FROM THE SOUTHWESTERN PART OF THE GULF TO SATTAHIP. HE FELT THE FRENCH WERE WELL-EQUIPPED TO CONDUCT SUCH FEASIBILITY STUDIES SINCE THEY HAD DONE SIMILAR WORK IN AUSTRALIA. KON INFORMED EMBOFF THAT THE FRENCH WERE ALSO INTERESTED IN INVESTING IN FERTILIZER PRODUCTION PROJECTS SINCE THAILAND HAS COMMERCIAL DEPOSITS OF POTASH AND PHOSPHATE. (NOTE: AT LEAST TWO US COMPANIES, DIAMOND SHAMROCK AND US STEEL, HAVE EVIDENCED INTEREST IN THE PAST IN EXPLOITING THESE DEPOSITS).

3. IN GERMANY, KON CONTINUED, INTEREST WAS SHOWN IN UNDERTAKING A FEASIBILITY STUDY FOR A STEEL MILL IN THE SOUTHEAST. IRON ORE HAS REPORTEDLY BEEN FOUND IN THE CHACHOENGSAO AREA. THE THOUGHT OF THIS ORE BEING MADE INTO STEEL IN A THAI MILL FUELED BY GULF OF THAILAND NATURAL GAS OBVIOUSLY PLEASED KON. THE GERMAN FIRMS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BANGKO 23104 171119Z

CONTACTED ABOUT THE PROPOSED STEEL MILL STUDY WERE KRUPP AND THYSSEN. (NOTE: EMBASSY HAS BEEN INFORMED SEPARATELY THAT KRUPP HAS ACQUIRED A MIDDREX PATENT ON STEELMAKING THROUGH DIRECT REDUCTION, USING NATURAL GAS, BUT THAT THE PROCESS HAS NOT YET LIVED UP TO EXPECTATIONS. THERE ARE PRESUMABLY US COMPANIES SUCH AS PULLMAN-SPINDELL, WITH ITS HYL DIRECT REDUCTION PROCESS, WHICH MIGHT BE COMPETITIVE.)

4. IN LONDON, KON SAID, ROYAL DUTCH SHELL APPROVED IN PRINCIPLE A PLAN TO INVEST ABOUT US \$115 MILLION IN A LUBRICATING OIL PLANT. (ON AUGUST 9 THE MINISTRY OF INDUSTRY ANNOUNCED THAT IT HAS APPROVED, ALSO IN PRINCIPLE, A PLAN FOR EXPANSION OF THE CAPACITY OF THE THAI OIL REFINERY COMPANH IN CHONBURI FROM 65,000 TO 100,000 BARRELS A DAY "TO MEET FUTURE EXPANDING DEMAND FOR REFINED OIL PRODUCTS").

5. KON CONCLUDED OUR INTERVIEW BY REMARKING THAT CHATCHAI WILL ATTEND THE FAO CONFERENCE IN ROME IN NOVEMBER, AFTER WHICH HE WILL VISIT HIS "PERSONAL FRIEND" SAUDI OIL MINISTER YAMANI IN SAUDI ARABIA. HE WILL THEN CONTINUE ON TO CANDDA FOR TALKS SIMILAR TO THOSE HELD IN EUROPE.

6. IN REPLY TO REFTEL B, THE THAI WILL NOT REPEAT NOT BE BUYING OIL PIPELINE EQUIPMENT FOR QUITE SOME TIME YET. IF THE FRENCH UNDERTAKE A FREE FEASIBILITY STUDY OR STUDIES FOR THE RTG, THEY WILL UNDOUBTEDLY EXPECT TO SUPPLY EQUIPMENT, ENGINEERS, ETC. ONCE BUILDING BEGINS. (NOTE: BROWN AND ROOT'S SINGAPORE REPRESENTATIVE VISITED BANGKOK RECENTLY AND EXPRESSED INTEREST IN THE PIPELINE TO THE EMBASSY BUT HAS NOT YET TALKED TO THE RTG.)

7. COMMENT: KON AND CHATCHAI HIMSELF, AS REPORTED IN THE PRESS, BELIEVE THE EUROPEAN TOUR WAS A GREAT SUCCESS. IT SHOULD BE NOTED, HOWEVER, THAT FOR ALL THEIR EBULLIENCE, NO FIRM COMMITMENTS TO ANYTHING WERE MADE IN ANY OF THE COUNTRIES VISITED. STATEMENTS BY CHATCHAI AND HIS STAFF SHOULD ALSO BE VIEWED WITH A CERTAIN SKEPTICISM. WHILE HE WAS FOREIGN MINISTER HE HAD A TENDENCY TO MAKE RATHER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BANGKO 23104 171119Z

GRANDOISE PRONOUNCEMENTS ABOUT HAVING SECURED LARGE QUANTITIES OF PETROLEUM FROM THE MIDDLE EAST AT "FRIEND-SHIP" PRICES. NONE OF THESE DEALS EVER MATERIALIZED. SINCE THE PROJECTS ARE BEING CONSIDERED, HOWEVER, EMBASSY SUGGESTS USDOC BRING THEM TO THE ATTENTION OF APPROPRIATE AMERICAN COMPANIES. END COMMENT. WHITEHOUSE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINISTERIAL VISITS, MEETINGS, EXPLOITATION (NATURAL RESOURCES), FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BANGKO23104
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760315-0385
From: BANGKOK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760848/aaaabphl.tel
Line Count: 161
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 BANGKOK 19405, 76 PARIS 21489
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2004 by BoyleJA>; APPROVED <05 AUG 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MINISTER OF INDUSTRY'S TRIP TO EUROPE
TAGS: EGEN, ENRG, ECRE, TH, (CHATCHAI CHUNHAWAN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006